

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2548 - HB 2798

February 28, 2012

SUMMARY OF BILL: Defines “roofing contractor”, “nonresident contractor”, and “agent”. Requires a roofing contractor or agent to disclose specified information when contacting a person in Tennessee for the purpose of soliciting roofing goods or services or when preparing a repair estimate where an insurance claim has been made or is anticipated. Requires the disclosures to be made orally and in writing. Requires the roofing contractor to maintain documentation of the disclosures for two years. Requires a contract for roofing repairs to contain an itemized estimate of costs and a disclosure that the solicited person is responsible for payment. Requires, before entering into a contract, the contractor or agent to provide the solicited person with a specified statement regarding the right to cancel the contract. Directs the means by which a solicited person may cancel a contract. Prohibits a contractor from requiring payments from proceeds of an insurance policy until the contract cancellation period has expired. Requires the contractor to return any payments to the solicited person within 10 days of a contract cancellation. Authorizes reasonable compensation if the contractor has performed any emergency services. Classifies a violation as a Class B misdemeanor under the Consumer Protection Act. Authorizes a civil penalty of up to \$25,000 after notice and a hearing, and license revocation or suspension.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, the bill creates an additional specific ground for which the Division of Consumer Affairs will be required to receive, investigate, and mediate consumer complaints. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.
- There will not be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Board had closing balances of \$2,074,844 in FY10-11 and \$1,581,060 in FY09-10.

SB 2548 - HB 2798

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/sbh